

**The Sumitomo Trust & Banking Co., Ltd.**

**NEW YORK BRANCH**

527 MADISON AVENUE, NEW YORK, N.Y. 10022

TELEPHONE (212) 326-0600

RECEIVED

2006 NOV 30 P 12:06

OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

November 28, 2006

Office of International Corporate Finance  
Division of Corporate Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  
U.S.A.



06018894

**SUPPL**

The Sumitomo Trust and Banking Company, Limited  
Information Furnished Pursuant to  
12g3-2(b) Under the Securities Exchange Act of 1934  
File No.: 82-4617

**PROCESSED**

DEC 04 2006

THOMSON  
FINANCIAL

Ladies and Gentlemen:

The Sumitomo Trust and Banking Company, Limited, a bank organized as a joint stock company under the laws of Japan (the "Bank"), pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Act"), hereby furnishes the following documents to the Commission:

**Notice of Results of Tender Offer and Change in Subsidiaries**

**Notice Concerning information meeting on Financial Results for 1HFY2006**

**November 28, 2006**

**Notice Concerning additional explanatory material 1<sup>st</sup> Half Fiscal Year 2006**

**Ended on Sep. 30, 2006**

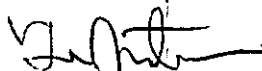
All information and documents submitted herewith are being furnished under Rule 12g3-2(b)(1) with the understanding that such information and documents will not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Act, and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Bank is subject to the Act.

*Handwritten signature/initials*

Please acknowledge receipt of this letter by stamping the enclosed receipt copy and returning it in the enclosed postage-paid envelope.

Very truly yours,

The Sumitomo Trust and  
Banking Company, Limited

By  \_\_\_\_\_

Name: Toru Matsuura  
Title: Controller

### **Notice of Results of Tender Offer and Change in Subsidiaries**

The Sumitomo Trust & Banking Co., Ltd. (hereinafter the "Offeror" or the "Company") resolved at the meeting of its Board of Directors held on October 13, 2006 to conduct a tender offer of common stock of STB Leasing Co., Ltd. (hereinafter the "Target Company" or "STBL") (the "Tender Offer"), and the Tender Offer was commenced on October 24, 2006. As the Tender Offer was completed on November 27, 2006, the Offeror announces the results of the Tender Offer as follows.

In addition, the Offeror announces that, as a result of the Tender Offer, the Target Company is scheduled to become a consolidated subsidiary of the Company as of the commencement date of settlement (December 5, 2006).

#### **I. Results of Tender Offer**

##### **1. Summary of Tender Offer (published on October 13, 2006)**

###### **(1) Name and Address of Offeror**

The Sumitomo Trust & Banking Co., Ltd.  
4-5-33, Kitahama, Chuo-ku, Osaka

###### **(2) Name and Address of Target Company**

STB Leasing Co., Ltd.  
2-3-4, Nihombashi, Chuo-ku, Tokyo

###### **(3) Class of Share Certificates, etc. for Tender Offer, etc.**

Common stock

###### **(4) Tender Offer Period**

From October 24, 2006 (Tuesday) through November 27, 2006 (Monday) (35 days)

###### **(5) Price of Tender Offer**

¥2,050 per share

##### **2. Results of Tender Offer**

###### **(1) Status of Tender**

Scheduled number of shares for Tender Offer	20,614,300 shares
Number of tendered share certificates, etc.	19,846,282 shares
Number of share certificates, etc. for purchase	19,846,282 shares

###### **(2) Results of Tender Offer**

As stated in the Public Notice of Tender Offer as of October 24, 2006 (as amended by the "Notice of the Filing of an Amendment Statement to the Tender Offer Registration Statement and Amendment to Public Notice of Tender Offer" as of October 27, 2006 and November 16, 2006) and the Tender Offer Registration Statement (as amended by the Amendment Statement to the Tender Offer Registration Statement as of October 27, 2006, November 10, 2006 and November 16, 2006), the Offeror shall purchase all the share certificates, etc. tendered in the Tender Offer.

RECEIVED  
2006 NOV 30 P 12:06  
OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

Number of Tendering Shareholders	Number of Tendered Share Certificates, etc.	Number of Share Certificates, etc. for Purchase	Number of Share Certificates, etc. to be Returned
832	19,846,282shares	19,846,282shares	0

(3) Method of Calculation in case of Tender Offer on Pro Rata Basis

N/A

(4) Number of Shares Held and Proportion of Ownership after Tender Offer

Number of shares held before Tender Offer:

970,000 shares (Proportion of ownership: 4.49%)

Number of shares held after Tender Offer:

20,816,282shares (Proportion of ownership: 96.44%)

(Note1) In addition to the above number of shares, The Sumitomo Trust & Banking Co., Ltd. held 35,000 shares before the Tender Offer, however, the Company holds no share after the Tender Offer, under the name of The Sumitomo Trust & Banking Co., Ltd. (trust account B). Also, the above number of shares does not include the number of shares held by special related parties.

(Note2) The proportion of ownership is calculated based on the 21,584,300 issued shares of the Target Company, and is rounded to two decimal places.

(5) Funds Required for Tender Offer

40,685 million yen

3. Method and Commencement Date of Settlement

(1) Name and Address of Head Office of Securities Company to Settle Tender Offer, etc.

Daiwa Securities SMBC Co. Ltd. (Tender Offer Agent)  
1-8-1, Marunouchi, Chiyoda-ku, Tokyo

Daiwa Securities Co. Ltd. (Subagent)  
2-6-4, Otemachi, Chiyoda-ku, Tokyo

(2) Commencement Date of Settlement

December 5, 2006 (Tuesday)

(3) Method of Settlement

A Notice of Tender Offer, etc. will be mailed to the address of the tendering shareholders (in the case of foreign shareholders, to the addresses of their standing agents) without delay after the expiration of the Tender Offer Period.

The Tender Offer will be conducted in cash. The Tender Offer Agent or the Subagent shall, promptly from the commencement date of settlement, remit the sale price for the purchased share certificates to the location designated by the tendering shareholder or pay out the sale price at the head office or Japanese branch of the Tender Offer Agent or Subagent that accepted the tender, in accordance with the direction of the tendering shareholder.

4. Place where a Copy of the Tender Offer Report is Available for Public Inspection

Head Office of The Sumitomo Trust & Banking Co., Ltd.  
4-5-33, Kitahama, Chuo-ku, Osaka

Tokyo Stock Exchange, Inc.  
2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo

## II. Change in Consolidated Subsidiaries

As a result of the Tender Offer, the Target Company is scheduled to become a consolidated subsidiary of the Company as of the commencement date of settlement (December 5, 2006).

### 1. Summary of New Consolidated Subsidiary

- (1) Corporate Name: STB Leasing Co., Ltd.
- (2) Representative: Jiro Araki, President and CEO
- (3) Address of Head Office: 2-3-4, Nihombashi, Chuo-ku, Tokyo
- (4) Date of Incorporation: July 1, 1985
- (5) Main Business: General Leasing Business  
(leasing, installment sales, business loans and other related businesses)
- (6) Fiscal Year-End: March 31
- (7) Number of Employees: 350 (consolidated, as of March 31, 2006)
- (8) Amount of Capital: 5,064 million yen (as of March 31, 2006)
- (9) Total Number of Issued Shares: 21,584,300 shares (as of March 31, 2006)
- (10) Major Shareholders and Shareholding Ratio (as of March 31, 2006)

SUMISHIN CARD CO., LTD.	11.17%
Sumishin Realty Co., Ltd.	9.73%
Sumisho Lease Co., Ltd.	9.27%
AIFUL Corporation	8.09%
Promise Co., Ltd.	8.09%
The Sumitomo Trust & Banking Co., Ltd.	4.99%
Japan Trustee Services Bank, Ltd. (trust account)	4.56%
Sumishin Information Service Co., Ltd.	4.18%
NEC Corporation	4.04%
The Shinsen Company, Limited	3.39%

### (11) Trend of Results in Recent Fiscal Years

[Non-Consolidated]

	Fiscal year ended in March 2005	Fiscal year ended in March 2006
Sales Revenue	127,295 million yen	125,124 million yen
Gross Profit on Sales	7,998 million yen	7,674 million yen
Operating Profit	4,597 million yen	4,340 million yen
Ordinary Profit	4,798 million yen	4,727 million yen
Net Income	3,969 million yen	2,977 million yen
Total Assets	455,777 million yen	481,742 million yen
Net Assets	28,406 million yen	34,713 million yen

Dividend per Share (Interim Dividend per Share)	20.00 yen (7.50 yen)	24.00 yen (12.00 yen)
--	-------------------------	--------------------------

[Consolidated]

	Fiscal year ended in March 2005	Fiscal year ended in March 2006
Sales Revenue	149,875 million yen	163,696 million yen
Gross Profit on Sales	11,231 million yen	11,771 million yen
Operating Profit	5,980 million yen	6,590 million yen
Ordinary Profit	6,278 million yen	6,938 million yen
Net Income	4,934 million yen	4,431 million yen
Total Assets	524,507 million yen	524,695 million yen
Net Assets	32,369 million yen	40,136 million yen

2. Scheduled Date for Change in Consolidated Subsidiaries

December 5, 2006 (Tuesday)

III. Future Prospects

As a result of the Tender Offer, the Target Company is scheduled to become a consolidated subsidiary of the Company as of the commencement date of settlement (December 5, 2006). After the Tender Offer, the Company plans to make STBL a wholly-owned subsidiary by a share exchange for the purpose of conducting prompt decision-making for intra-group restructuring. However, the details of the share exchange between the Company and STBL (including, in accordance with the applicable laws and regulations, a share exchange without the approval of a general meeting of shareholders or a share exchange where cash is delivered as consideration) have not been determined as of the date hereof. The Offeror will announce the details when they are determined upon consultation with the Target Company.

Further, there is no effect on the published forecast results of STBL for the fiscal year ending in March 2007.

- End -

For enquiries, please contact  
IR Office, Financial Management Department  
The Sumitomo Trust & Banking Co., Ltd.  
Telephone: +81-3-3286-8354, Fax: 81-3-3286-4654



SUMITOMO  
TRUST

住友信託銀行

PROCTIVENT

2006 NOV 30 PM 1:05

OFFICE OF INTERNATIONAL  
CORPORATE FINANCE 1

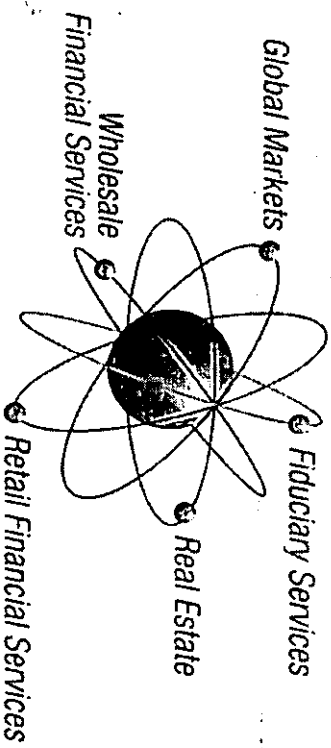
*Sumitomo Trust & Banking  
Co., Ltd.*

Information Meeting

on

Financial Results for 1HFY2006

November 28, 2006



## Meeting agenda

---

- ▶ 1HFY2006 financial results
- ▶ Forecast for FY2006
- ▶ Division & group company performance
- ▶ Path toward a sustainable growth



SUMITOMO  
TRUST

住友信託銀行



# 1H FY2006 financial results



SUMITOMO  
TRUST 住友信託銀行

## 1HFY2006 financial results (Apr.2006 – Sep.2006)

- ▶ Consolidated: Achieved record high 1st half "net business profit before credit costs" and "net income"
- ▶ Non-consolidated: Increased "net interest income" and "fee income"

### <Consolidated>

(in billions of Yen)	1HFY2006	1HFY2005	Change	% change
Net business profit before credit costs	105.3	101.1	4.1	4%
Net operating income	99.1	87.9	11.2	13%
Net income	63.9	53.7	10.2	19%
Consolidated EPS (fully diluted)	38.22 yen	32.22 yen	6.00 yen	19%

### <Non-consolidated>

(in billions of Yen)

Net business profit before credit costs	86.8	88.0	-1.2	-1%
Net interest income (*1)	82.8	78.4	4.4	6%
Net fees & commissions (*2)	52.5	47.6	4.9	10%
Other profits	12.0	22.2	-10.1	-46%
General and administrative expenses	60.7	60.2	0.5	1%
Net non-recurring profit	-4.0	-9.7	5.7	59%
Net operating income	85.9	76.9	9.0	12%
Extraordinary income	-1.0	4.5	-5.5	-123%
Net income	55.4	49.7	5.7	12%
Total credit costs	3.3	3.4	-0.0	-3%
Dividend per share (Interim) (Yen)	8.5 yen	6.0 yen	2.5 yen	42%

(\*1) Include net trust fees of principal guaranteed trust a/c but exclude principal guaranteed trust a/c credit cost

(\*2) Include net trust fees other than net trust fees of principal guaranteed trust a/c



SUMITOMO  
TRUST

住友信託銀行

## Breakdown of profit by business group

- ▶ Covered decrease in "net capital gain on bonds" caused by treasury and financial products business with increase of the other businesses
- ▶ Remarkable increase in profits of retail finance services, fiduciary business, and real estate business

(in billions of Yen)	Non-consolidated				Consolidated			
	Gross business profit before credit costs		Net business profit before credit costs		Net business profit before credit costs			
	1H FY2006	1H FY2005	Change	1H FY2006	1H FY2005	Change	1H FY2006	1H FY2005
Wholesale financial services	52.2	51.3	0.9	34.8	34.4	0.4	47.2	43.7
Stock transfer agency services	9.7	9.3	0.4	2.4	2.0	0.3	4.7	4.0
Retail financial services	39.1	34.8	4.3	10.9	7.1	3.7	12.1	8.3
Treasury and financial products	28.6	37.9	-9.3	24.1	33.4	-9.3	24.1	33.4
Fiduciary services	25.6	21.8	3.7	11.9	8.4	3.5	14.8	9.9
Pension asset management	18.3	16.4	1.9	8.0	5.9	2.0	8.6	6.2
Securities processing services	7.3	5.4	1.8	4.0	2.4	1.5	6.2	3.6
Real estate	14.8	12.3	2.4	11.1	8.4	2.7	12.6	9.1
Fees paid for outsourcing (*1)	-13.5	-12.9	-0.6	-	-	-	-	-
Others (*2)	0.7	3.1	-2.2	-6.0	-3.7	-2.4	-5.6	-3.3
<b>Total</b>	<b>147.5</b>	<b>148.2</b>	<b>-0.7</b>	<b>86.8</b>	<b>88.0</b>	<b>-1.2</b>	<b>105.3</b>	<b>101.1</b>

\*1 From FY2006, non-consolidated gross business profit before credit costs of each division is shown before "Fees paid for outsourcing."

Thus, that of fiduciary services is before fees paid to Japan Trustee Services Bank, Ltd. and fees paid to Japan Pension Operation Service, Ltd. That of stock transfer agency services is before fees paid to Japan TA Solution, Ltd.

Breakdown of "Fees paid for outsourcing" by business lines is shown in page 11 of "Explanatory Material 1st Half Fiscal Year ended on Sep.30, 2006".

\*2 Include cost of capital funding, dividend of shares for cross-shareholdings, general and administrative expenses of headquarters.



SUMITOMO  
TRUST 住友信託銀行

## Contribution of major group companies to consolidated financial results

### ► Contribution of new consolidation of First Credit and STB Real Estate Investment Management

### ► Sumishin Matsushita Financial Services and Businext decreased profits mainly due to non-recurring profit posted last year while other major companies continued to grow

(in billions of Yen)	Business group	Group's ownership	Consolidated net business profit before credit costs *1		Consolidated net income before amortization of goodwill *2			
			1H FY2006	1H FY2005	Change	1H FY2006	1H FY2005	Change
STB Leasing Co., Ltd.	Wholesale	*30%	0.92	0.98	-0.06	0.56	0.55	0.00
Sumishin Matsushita Financial Services Co., Ltd.	Wholesale	66%	2.64	5.48	-2.83	0.90	1.87	-0.97
First Credit Corporation	Wholesale	100%	5.51	-	5.51	4.96	-	4.96
BUSINEXT CORPORATION								
	Wholesale	*40%	1.30	0.86	0.44	0.15	0.65	-0.50
Japan TA Solution, Ltd.	Stock transfer agency	80%	2.31	1.93	0.37	1.59	1.23	0.36
Sumishin Guaranty Co., Ltd.	Retail	100%	1.14	0.79	0.34	2.33	0.51	1.82
Sumitomo Trust and Banking Co. (U.S.A.)	Fiduciary	100%	1.32	0.94	0.38	0.80	0.52	0.27
Japan Trustee Services Bank, Ltd.	Fiduciary	*33%	0.69	0.18	0.51	0.39	0.12	0.27
STB Asset Management Co., Ltd.	Fiduciary	100%	0.58	0.37	0.21	0.34	0.19	0.14
Sumishin Realty Co., Ltd.	Real estate	100%	0.97	0.88	0.09	0.47	0.45	0.01
STB Real Estate Investment Management Co., Ltd.	Real estate	100%	0.76	-	0.76	0.46	-	0.46

\* Affiliates subject to the equity method. The others are consolidated subsidiaries.

\*1 Consolidated subsidiaries: Net operating income (adjusted non-recurring items) - intergroup transaction (dividend payment, etc.)

Affiliates: Net operating income (adjusted non-recurring items) X %ownership - intergroup transaction (dividend payment, etc.)

\*2 Amortization of goodwill: Sumishin Matsushita Financial Services 1.0 bn. yen, First Credit 3.1 bn. yen, etc.



SUMITOMO TRUST 住友信託銀行

## Net interest income breakdown

- ▶ Net interest income increased due to loan balance expansion while loan deposit margin decreased by 3 b.p. year on year
- ▶ Signs of bottoming out of loan deposit margin contractive tendency mainly because mid to long term interest rate has increased since last year

### <Breakdown of net interest income>

(in billions of Yen)	1HFY2005	1HFY2006	Change
Net interest income	78.4	82.8	4.4
Domestic banking a/c and principal guaranteed trust a/c combined	68.0	75.7	7.6
Interest income	80.2	96.4	16.1
Loans	54.6	60.7	6.1 (1)
Securities	14.9	19.8	4.8 (2)
Swaps	7.8	11.5	3.7
Interest expenses	12.4	20.5	8.1
Deposits & Trust principal	8.9	12.5	3.6 (3)
Negotiable certificate of deposit	0.2	2.2	1.9

- (1) Interest on loans (+6.1 billion yen)  
 - Average balance  
 9.3 trillion yen to 10.2 trillion yen
- (2) Interest on bonds (+4.8 billions yen)  
 - Average balance  
 2.8 trillion yen to 3.7 trillion yen  
 → Net interest income on bonds  
 +2.0 billion yen  
 → Dividend, etc.  
 +2.8 billion yen
- (3) Interest on deposits & trust principal (+3.6 billion yen)  
 - Average balance  
 10.3 trillion yen to 11.2 trillion yen  
 → Increase of yield +0.05%

### <Loan-deposit margin (domestic banking a/c and principal guaranteed trust a/c combined)>

	1H	2H	1H
	FY2005		
Average yield on loans and bills discounted	1.16%	1.09%	1.18%
Average yield on Deposits & Trust principal	0.17%	0.16%	0.22%
Loan-deposit margin	0.99%	0.93%	0.96% (4)

- (4) Signs of bottoming out of loan deposit margin  
 - Effect of preceded mid to long term interest rate increase since last year  
 - No material mismatch in cycles of interest rate renewal of loans and deposits



SUMITOMO  
TRUST

住友信託銀行

## Breakdown of deposits and loans by type of interest rate

- ▶ Most loans have interest rate linked to market interest rate: "Fixed interest rate (more than 1 year)" & "Float interest rate (market interest rate linked)" account for 80% ---(1)
- ▶ Limited effect of time lag of interest rates increase of deposits and loans: no material mismatch in cycles of interest rate renewal of loans and deposits ---(2)
- ▶ Mid to long term interest rate increase is key to the expansion of loan-deposit margin: "fixed interest rate time deposits (more than 1 year)" account for 50% ---(3)

### <Breakdown of loans\* by types of interest rate (average balance)>

	(in trillions of Yen)	1HFY2005	1HFY2006	Composition	
Fixed interest rate (more than 1 year)		2.6	2.8	(1) 27%	Interest rate linked to mid to long term interest rate
Long-term prime rate		1.3	1.0	10%	Approx. 40%
Float interest rate		4.7	5.7	(1) 55%	Interest rate renewed in every 6 months
Short-term prime rate		0.8	0.8	8%	Approx. 30%

### <Breakdown of deposits\* by types of interest rate (average balance)>

	(in trillions of Yen)	1HFY2005	1HFY2006	Composition	
Fixed interest rate time deposits (more than 1 year)		4.6	5.3	49%	Interest rate linked to mid to long term interest rate
Float interest rate time deposits & principal guaranteed trust		3.3	2.6	24%	(3) Approx. 50%
Fixed interest rate time deposits (less than 1 year)		0.8	1.2	11%	Interest rate renewed in every 6 months
Ordinary deposits		1.7	1.8	16%	Approx. 35%

\*Domestic banking a/c and principal guaranteed trust a/c combined



SUMITOMO  
TRUST 住友信託銀行

## Fee revenue breakdown

- ▶ Remarkable increase of "Other trust fees" mainly due to increase in trust fees for pension asset management and securities processing of mutual funds
- ▶ Real estate related fees and Retail sales commissions of mutual fund and individual annuity continue to grow

### <Consolidated>

(in billions of Yen)	1HFY2006	1HFY2005	Change	% Change
<b>Other trust fees</b>	<b>27.8</b>	<b>23.5</b>	<b>4.3</b>	<b>19%</b>
Corporate pension, Public pension	15.7	14.4	1.3	9%
Securities processing services	5.8	4.2	1.6	38%
<b>Net fees and commissions</b>	<b>46.6</b>	<b>40.6</b>	<b>5.9</b>	<b>15%</b>
<b>Domestic business</b>	<b>43.5</b>	<b>38.4</b>	<b>5.0</b>	<b>13%</b>
Wholesale financial services	21.8	20.0	1.8	9%
Stock transfer agency services	10.4	10.0	0.4	4%
Retail financial services	13.4	11.0	2.3	21%
Real estate	16.0	14.2	1.8	13%
Fees paid for outsourcing (custody & pension administration)	-7.2	-6.7	-0.5	7%
<b>International business</b>	<b>3.0</b>	<b>2.1</b>	<b>0.9</b>	<b>43%</b>
<b>Total</b>	<b>74.5</b>	<b>64.1</b>	<b>10.3</b>	<b>16%</b>

### Major factor of increases

(in billions of Yen)

Real estate administration 0.6  
 Other pension management 0.7  
 Pension asset management 0.9  
 Custody of mutual fund 1.3  
 Asset management of mutual fund 0.7  
 First Credit 1.8  
 Sales commission of mutual fund, etc. 1.8  
 Asset management 0.9  
 Retail brokerage 0.7  
 Global custody 0.4



SUMITOMO  
TRUST

住友信託銀行

## Non-performing loans

▶ "Loans to special mention debtors (excluding substandard loans)" decreased mainly due to migration to better categories of new loan made last year.

▶ Approx. 4 billion yen of net credit costs due to migrations of better/worse categories

<Break down of total credit costs (non-consolidated)>

(in billions of Yen)

	1H-FY2006	1H-FY2005
Banking a/c	3.2	2.1

Write-offs & sales, etc.

-0.6

5.9

Net transfer to reserves\*

3.8

-3.8

Net transfer to specific loan loss reserves, etc.

6.9

-1.6

Net transfer to general reserves

-3.3

-1.9

Trust a/c

0.1

1.3

Total credit costs

3.3

3.4

\* Negative figure indicates profit due to write backs.

- Migration to worse categories Approx. 17.0 billion yen

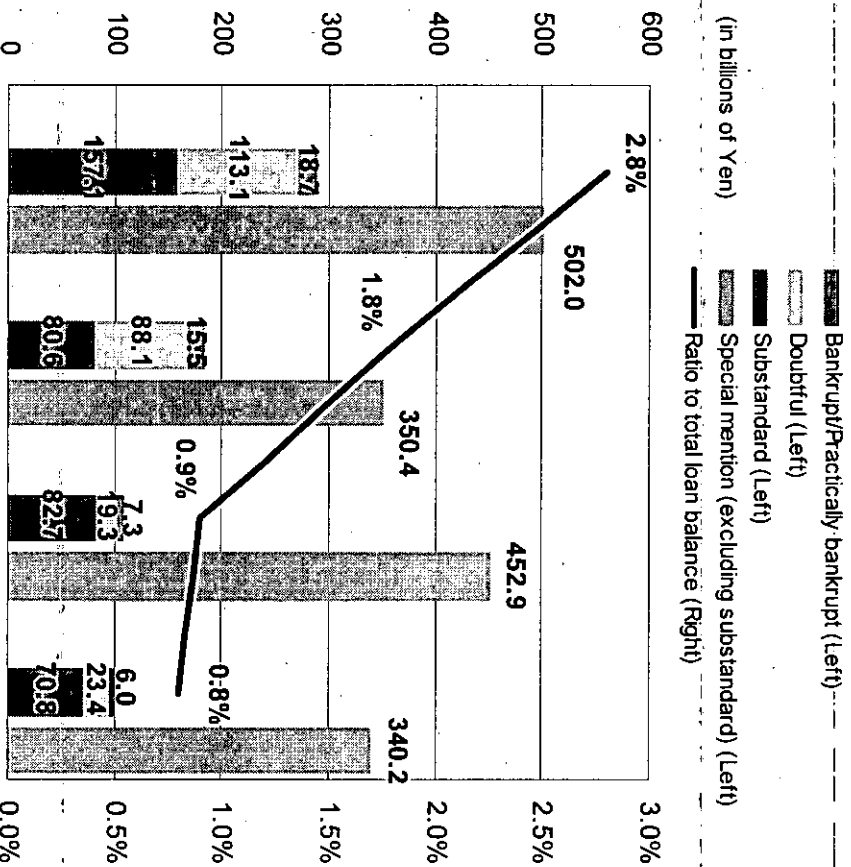
- Migration to better categories & balance decrease, etc. Approx. 13.0 billion yen

Net Approx. 4.0 billion yen

- Final disposal Approx. 1.0 billion yen

<Balance and ratio to total loan balance of NPLs (non-consolidated; banking a/c and principal guaranteed trust a/c combined)>

(in billions of Yen)



SUMITOMO  
TRUST

住友信託銀行



## Securities portfolio

- ▶ Posted "net capital gains" (5 billion yen) and simultaneously improved "unrealized gains/losses" on domestic and foreign bonds
- ▶ Reduced risk volume of JGB and remained the same balance of foreign government bonds

### <Change in cost and net unrealized gains/losses of securities for securities market price available (consolidated/after devaluation)>

(in billions of Yen)	Book value			Cost			Net unrealized gains/losses		
	1HFY2006 (A)	FY2005 (B)	(A) - (B)	1HFY2006 (C)	FY2005 (D)	(C) - (D)	1HFY2006 (E)	FY2005 (F)	(E) - (F)
Held-to-maturity debt securities	803.6	838.8	-35.2	803.6	838.8	-35.2	-1.9	-6.8	4.9
Available-for-sale securities	4,369.4	4,363.2	6.1	3,984.9	3,951.4	33.5	384.4	411.8	-27.3
Stocks	870.9	911.3	-40.4	466.3	463.9	2.4	404.6	447.4	-42.8
Japanese bonds	1,223.8	1,392.7	-168.8	1,230.6	1,411.3	-180.7	-6.7	-18.6	11.8
Foreign bonds and others	2,274.5	2,059.1	215.4	2,287.9	2,076.1	211.8	-13.4	-17.0	3.6

### <Change in balance of JGB portfolio (non-consolidated)>

Book value (Market value)

(non-consolidated)>						
(in billions of Yen)	Less than 1 year	Less than 5 years	Less than 10 years	Over 10 years		Total
				Floating-rate		
1HFY2006 (A)	354.7	439.4	438.1	141.0	126.5	1,373.4
FY2005 (B)	239.8	488.0	508.1	149.9	119.7	1,385.9
(A) - (B)	114.8	-48.5	-69.9	-8.8	6.8	-12.5
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
(A) - (B)						
</						



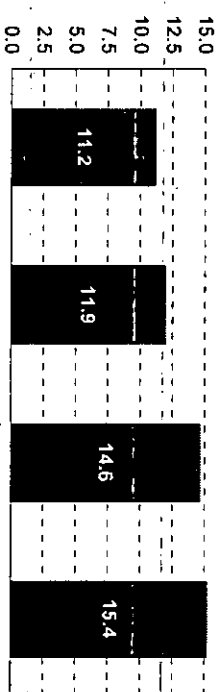
SUMITOMO TRUST 住友信託銀行

\* Foreign government bonds managed in business of treasury and financial products (shown in cost)

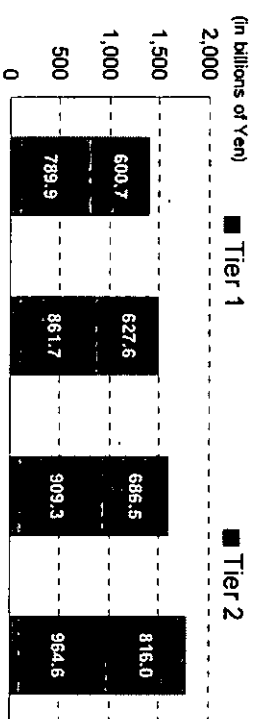
## Regulatory Capital

- ▶ Increased "total risk adjusted assets" mainly due to increase of loan balance while its growth rate was normalized
- ▶ Enhanced buffer in regulatory capital by 500 million pounds perpetual subordinated bonds issuance in euro markets

### <Total risk adjusted assets (in millions of Yen) (consolidated) >

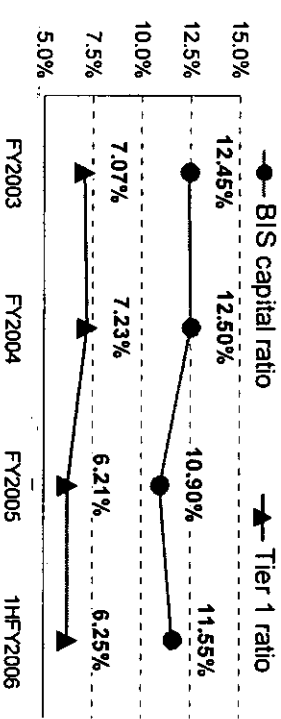


### <Total capital (consolidated) >



\* Deduction (double gearing) items are subtracted from Tier II.

### <BIS capital ratio (consolidated) >



### <Breakdown of change in total risk adjusted assets>

	(in trillions of Yen)	Change from Mar. 2006
On-balance-sheet items		0.6
Loans		0.5
Assets of subsidiaries		0.1
Off-balance-sheet items		0.1
Market risk equivalent		0.0
Total		0.8

### <Breakdown in change of total capital>

	(in billions of Yen)	Change from Mar. 2006
Tier 1		55.2
Net income		63.9
Dividend paid		- 14.2
Tier 2		126.6
Net unrealized gains of securities		- 11.5
Perpetual subordinated debts		141.8



SUMITOMO  
TRUST

住友信託銀行

# Forecast for FY2006



SUMITOMO  
TRUST

住友信託銀行

## Forecast for FY2006

- ▶ Added increase in 1HFY2006 to full year forecast announced in May 2006 except increase in treasury and financial products business
- ▶ 17 yen for dividend forecast of payout ratio of 23.7% to the full year consolidated net income forecast

(in billions of Yen) <Consolidated>	FY2005	FY2006	Forecast for FY2006
	(Actual)	(Previous forecast as of May 2006)	
Net business profit before credit costs	196.2	200.0	210.0
Net operating profit	171.9	175.0	190.0
Net income	100.0	105.0	120.0
<Non-consolidated>			
Net business profit before credit costs	164.6	165.0	170.0
Credit costs	9.7	20.0	15.0
Other non-recurring items	-6.5	5.0	5.0
Net operating income	148.2	150.0	160.0
Extraordinary income	0.2	0.0	0.0
Net income	88.4	90.0	100.0
Total credit costs	9.7	20.0	15.0
Dividend per common stock (Yen)	12.0	15.0	17.0
Consolidated dividend payout ratio	20.0%	23.9%	23.7%



SUMITOMO  
TRUST 住友信託銀行

# Division & group company performance



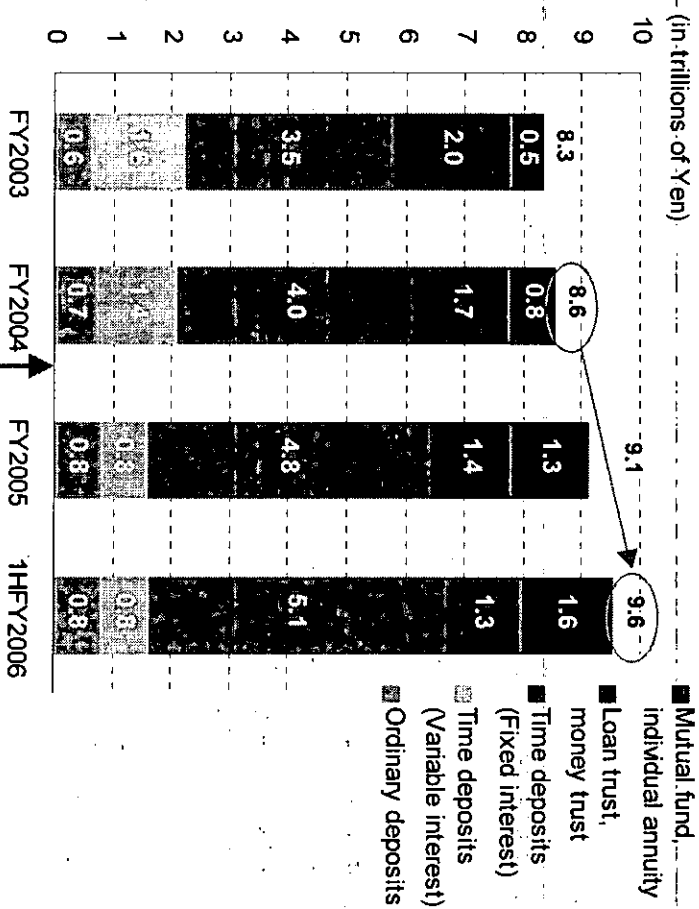
SUMITOMO  
TRUST 住友信託銀行

## Retail financial services

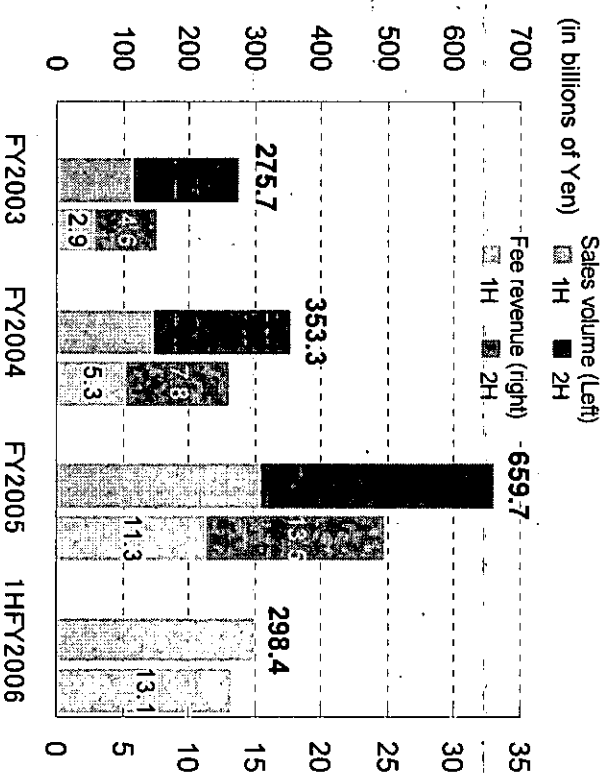
- ▶ Increased total depositary assets both in deposits and mutual fund/individual annuity
- ⇨ Achieved 11.6% increase since Apr.2005

- ▶ Steadily increased fee revenue of mutual fund/individual annuity sales due to increased annual management fee of mutual fund although sales volume remained the same

### <Volume of total depositary assets from individuals>



### <Sale volume and fee revenue of mutual fund /individual annuity>



### <Transaction volume of loans to individuals>

(in billions of Yen)

	FY2003	FY2004	FY2005	FY2006
			1H	1H
	213.6	274.8	461.5	167.7
				186.2



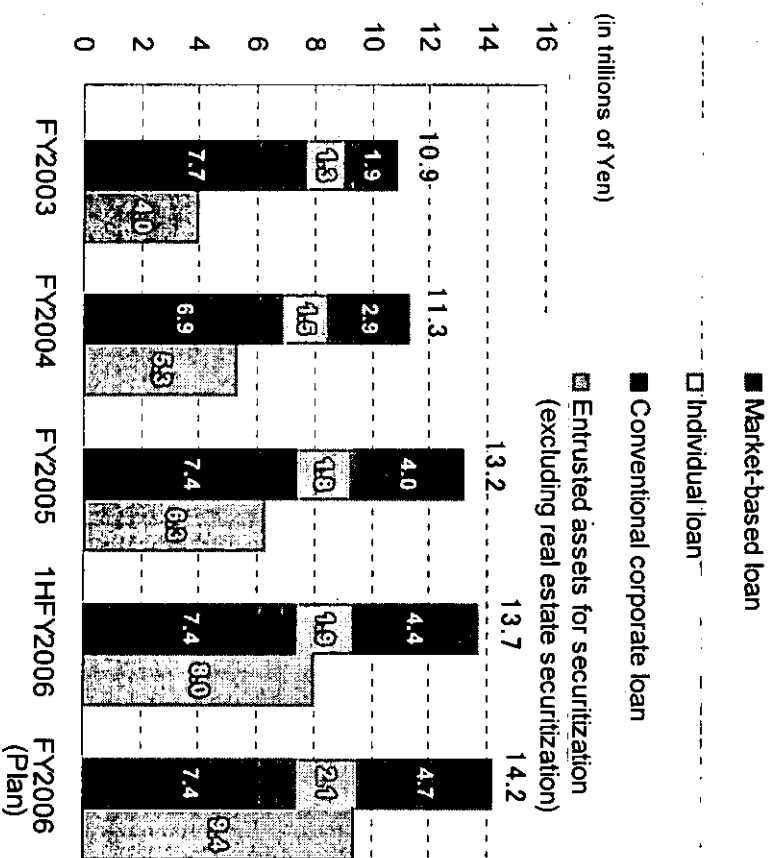
SUMITOMO  
TRUST

住友信託銀行

## Wholesale financial services & Loan portfolio

- ▶ Expanded volume of market based loans while growth rate was normalized
- ▶ Slower pace of market-based loan related fee revenue accumulation due to decrease in syndicated loan arrangement fee

### <Balance of loan portfolio (Non-consolidated)>



Note: Market based loans include bonds with credit risk, such as ABS, CLO and corporate bonds.

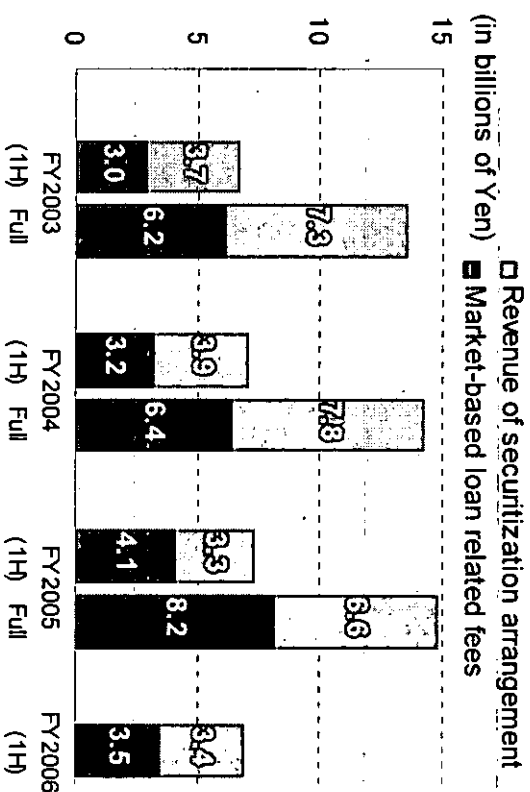


SUMITOMO  
TRUST

住友信託銀行

### <Revenue of securitization (excluding real estate securitization)>

#### <Fee revenue of market-based loan>



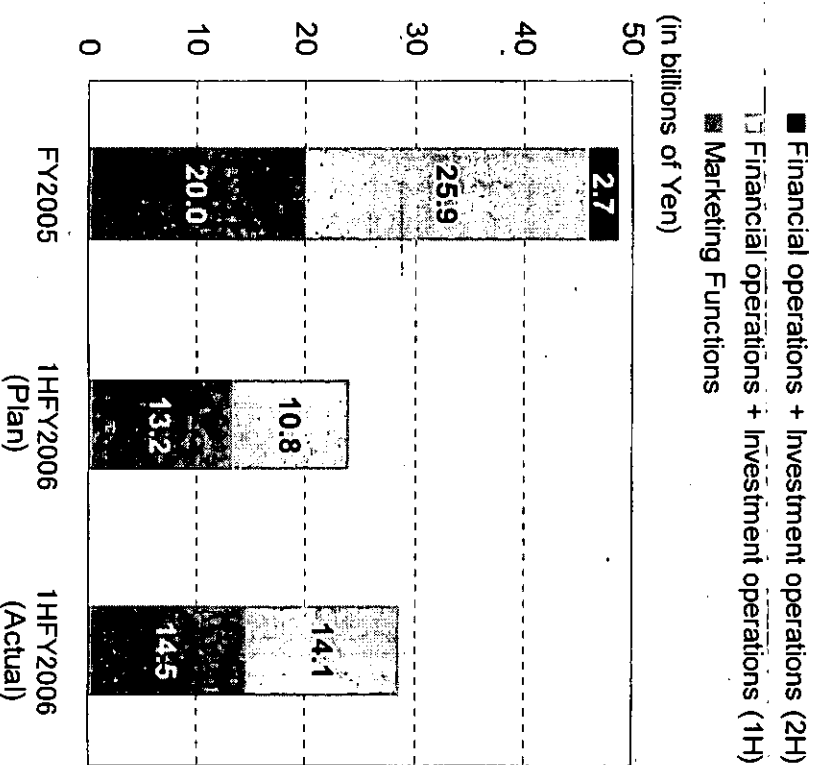
#### <Breakdown of market-based loans>

(in billions of Yen)	FY2003	FY2004	FY2005	1HFY2006
Real estate non recourse loan,				
Project finance	766.1	896.5	1,029.6	
Syndicated loan, loan purchase in secondary mkt, ABS	1,188.1	1,953.2	2,050.7	
Overseas branches (CLO, ABS, High yield loan)	896.1	1,177.4	1,335.6	
Total	2,850.3	4,027.1	4,415.9	

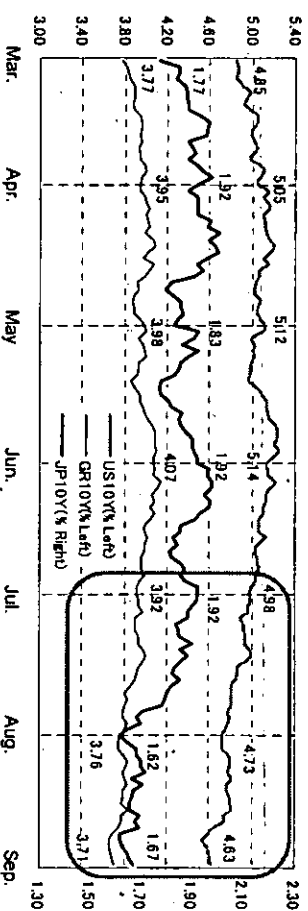
## Treasury and financial products

- ▶ Exceeded planned realized gain in "financial operations" and "proprietary investment" by capturing timing of interest rate decrease in Japan, US and Euro market
- ▶ Steadily increased revenue in "customer services" and contributed to stabilization of revenue

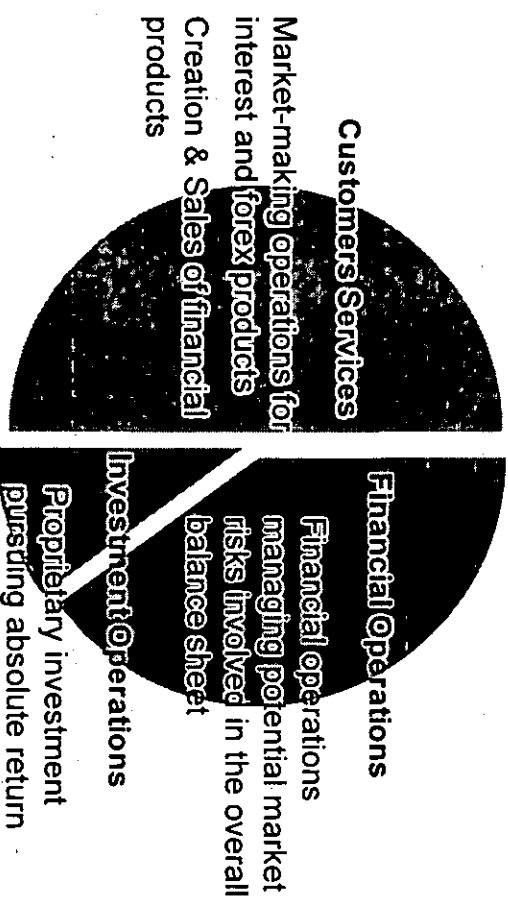
### <Breakdown of net business profit>



### <Market conditions of interest rates>



### <Business areas>



SUMITOMO  
TRUST

住友信託銀行

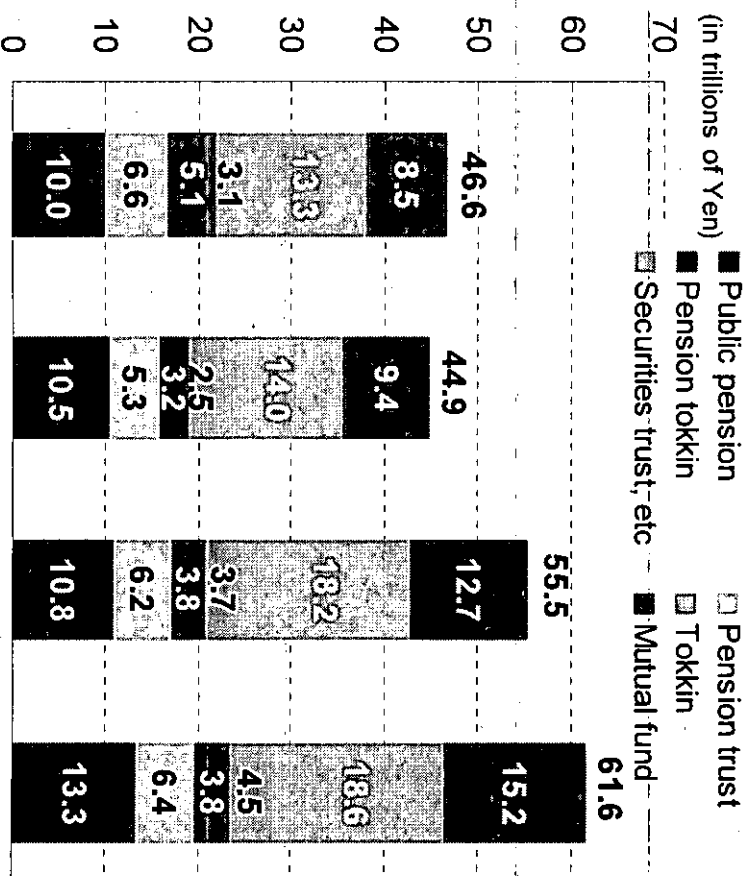


## Fiduciary business

▶ Substantially increased volume of total entrusted assets mainly due to increase of public pension and mutual fund

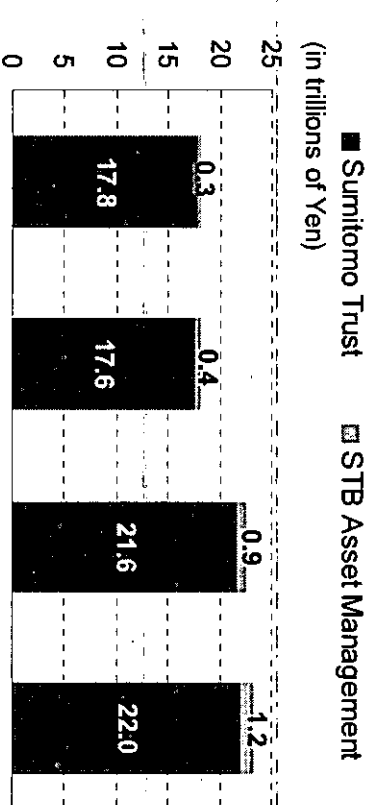
▶ Steadily increased assets under management and custody of group companies

### <Volume of entrusted assets>



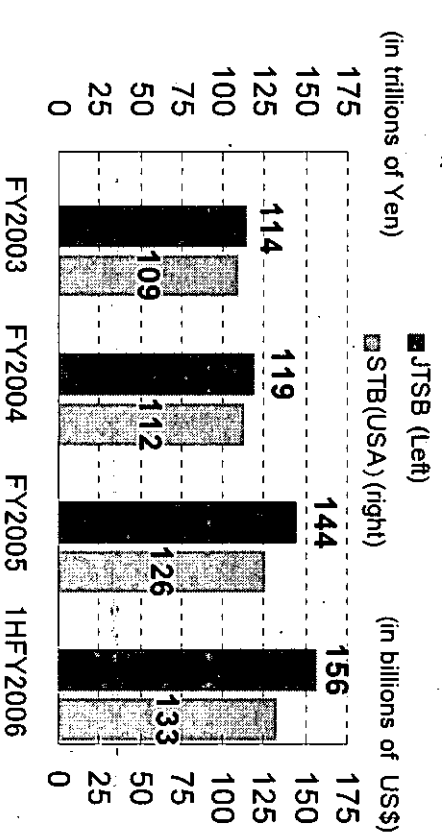
### <Assets under management>

\* Market-to-market basis



### <Volume of entrusted assets with Japan Trustee Services Bank>

### <Volume of global custody (Sumitomo Trust USA)>



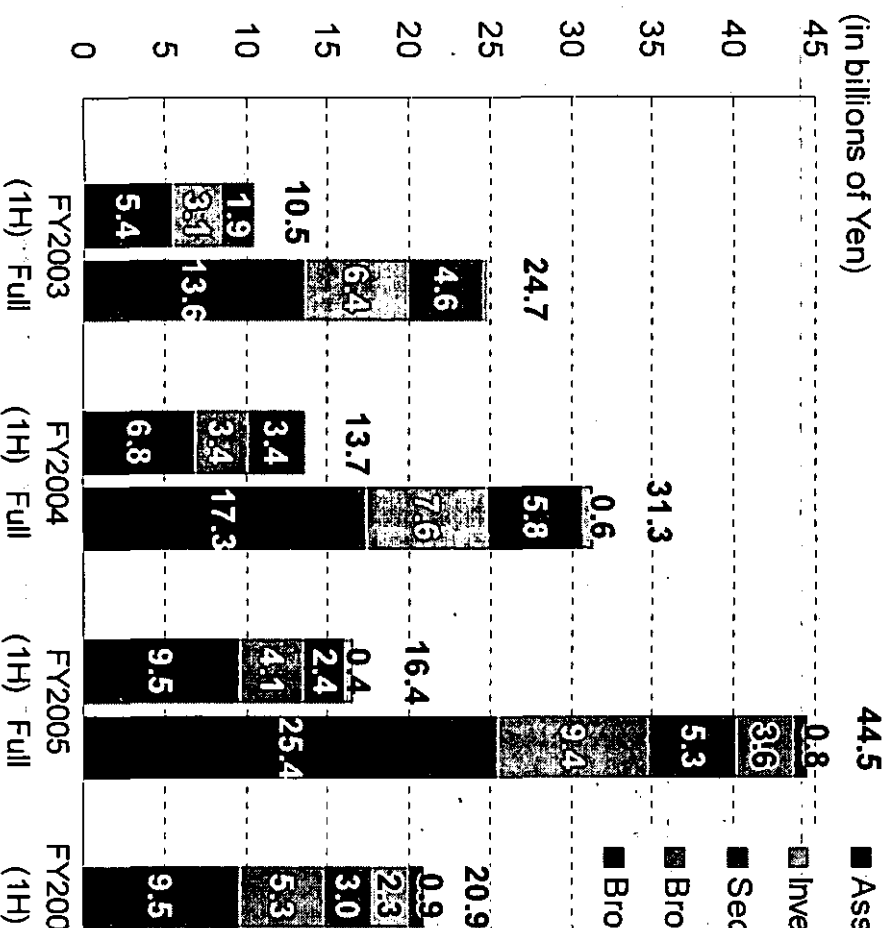
SUMITOMO TRUST

住友信託銀行

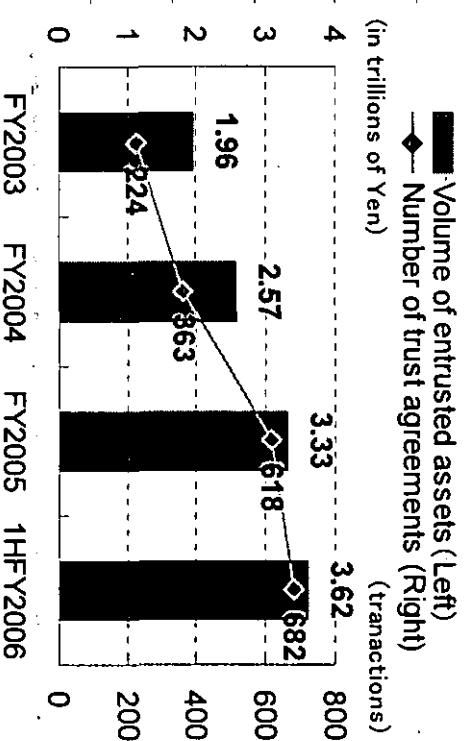
## Real estate business

- ▶ Increased brokerage fee year on year reflecting continuously favorable market situation
- ▶ Diversified revenue sources such as securitization fee, proprietary investment profit and asset management fee on real estate

### <Gross profit of real estate business>



### <Volume and number of transactions of entrusted assets for real estate securitization>



SUMITOMO TRUST 住友信託銀行

## Sumishin Matsushita Financial Services

- ▶ Decreased profits mainly for non-recurring profit (writebacks due to unifying standard for reserves) posted last year (-1.7 billion yen)
- ▶ Planning to cover shortfall of lease revenue with revenue from more profitable installment finance and loans

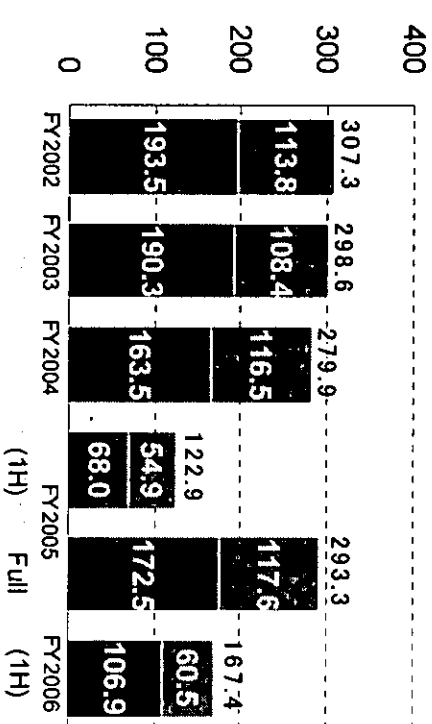
Major income statement items (in billions of yen)	1H FY2006	Change	1H FY2005
Total sales volume	167.4	44.3	122.9
Net business profit	2.3	-2.8	5.2
G&A expenses	8.8	-0.5	9.4
Net operating income	2.5	-2.9	5.4
Net income before tax	2.6	-2.4	5.0
Net income	1.5	-1.4	3.0

- Enhancement of product line-ups
- Operating lease, factoring
  - Loan for renovation, Sales finance alliances
  - Trust agency
  - (Plan) Banking agency, New credit cards

<Change in total sales volume\*>  
(in billions of Yen)

■ Lease ■ Installment finance and others

Major balance sheet items (in billions of yen)	1H FY2006	Change	FY2005
Total assets	557.9	35.1	522.7
Leasing assets	326.3	32.9	293.3
Trade a/c receivables	133.3	0.3	133.0
Loans	63.2	0.8	62.4
Shareholder's equity	68.3	0.7	67.5



SUMITOMO TRUST 住友信託銀行

\* Applied new standard from FY2006. Tables and chart above shown in new standard from 1H FY2005  
-14.6 billion yen change in FY2005 due to changing from old to new standard

## First Credit

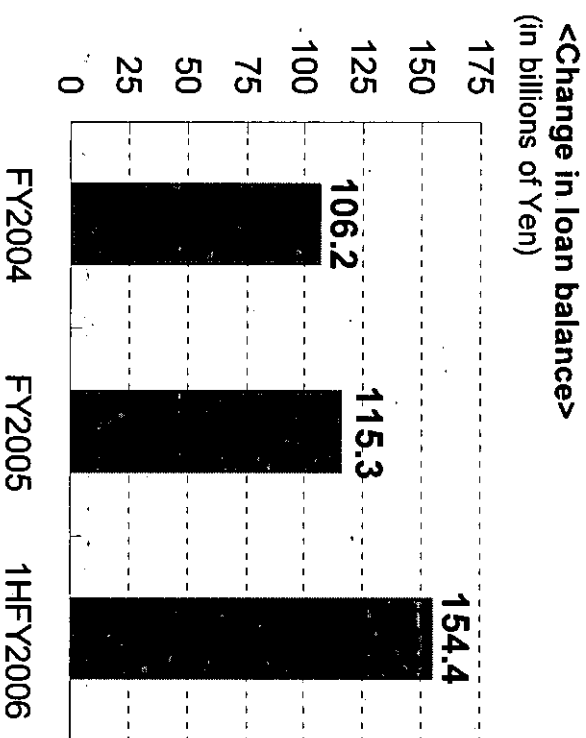
- ▶ Substantially expanded loan balance and increased profit due to favorable market condition of real estate and effect of Sumitomo Trust brand
- ▶ Enhanced alliances with regional banks to increase transaction volume

Major income statement items (in billions of yen)	1H FY2006	Change	1H FY2005
Net business profit	4.3	2.2	2.0
Profit from loan business	7.5	3.6	3.8
G&A expense	3.1	1.2	1.9
Net operating income	4.3	2.2	2.1
Net income before tax	4.5	1.4	3.0
Net income	4.9	1.9	3.0
Credit cost*	1.0	1.9	-0.8

\* Net transfer to reserves. Negative figure indicates profit due to write backs.

Major balance sheet items (in billions of yen)	1H FY2006	Change	FY2005
Total assets	161.1	38.1	122.9
Loans	154.4	39.1	115.3
Reserves	-6.7	-1.2	-5.4
Shareholder's equity	32.2	4.9	27.3

**Enhancement of alliances**  
 Mar. 2006: 5 companies  
 Sep. 2006: 10 companies  
 Including 4 banks  
 Yachiyo, Hiroshima, Nishi-Nippon City,  
 Tokyo Star  
 Strengthen alliance with Sumishin Realty



SUMITOMO  
TRUST 住友信託銀行

## Other strategic investments

- ▶ Repaid and refinanced public fund of Yachiyo Bank and started various business alliances
- ▶ Continued preparation for a new Internet-based bank to commence business in 1HFY2007(Apr.2007 – Sep.2007)

### Alliance with Yachiyo Bank

#### Outline of strategy and investment

- Regional bank centered in Tokyo Met. Area (84 offices in Tokyo and Kanagawa)
- Preferred shares, etc. for 43 billion yen
- Selling Sumitomo Trust's products through intensive sales channel in area with lots of affluent people

### New Internet-based Bank/Alliance with SBI group

#### Outline of strategy and investment

- 50/50 joint venture with SBI group & Various business alliances with SBI group
- 10 billion yen for initial capital for 50% stake
- New brand to attract younger generation including clients of SBI E\*Trade Securities

#### Progress to date

- Refinancing (August/September)  
Preferred share/subordinated convertible bonds 30 billion yen in total & Common shares 5%  
→ Potential ownership Approx. 36%
- Commencement of business alliances  
(June) Sales of mutual funds managed by STB Asset Management
- (July) Affiliated ATM network, estate & will services, real estate business, alliance with First Credit
- 1HFY financial results of Yachiyo Bank  
Consolidated net income 4.6 billion yen  
(1.2 billion yen increase year on year)

#### Progress to date

- Commencement of business alliances with SBI group  
Co-development of mutual fund (Morningstar)  
Sales of mutual fund managed by STB Asset Management (SBI E\*Trade Securities)  
Introduction of candidates of private banking clients (Private company owner)
- Establishment of a new Internet-based bank preparatory company (April)  
Decided product/service line-ups and business management system
- Developing infrastructure including operating system  
Planning to commence business in 1HFY07



SUMITOMO  
TRUST

住友信託銀行

Path toward a sustainable  
growth

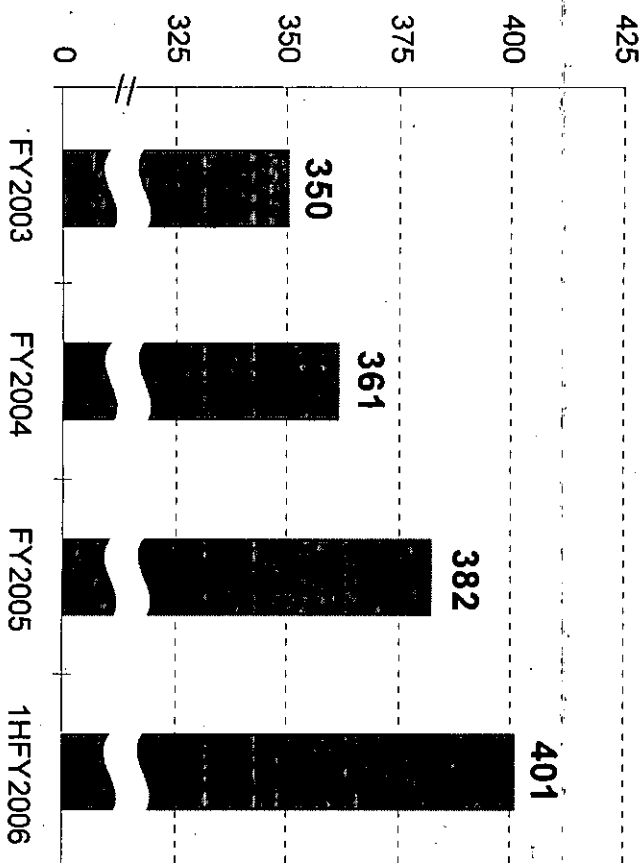


SUMITOMO  
TRUST 住友信託銀行

## Growth of retail franchise

- ▶ Aiming "the principal bank for asset management": Achieved sure and steady increase of total asset per client
- ▶ Steadily preparation for massive retirement of baby boomers (branch renovation, new offices, personnel increase, and advertisement strategy)

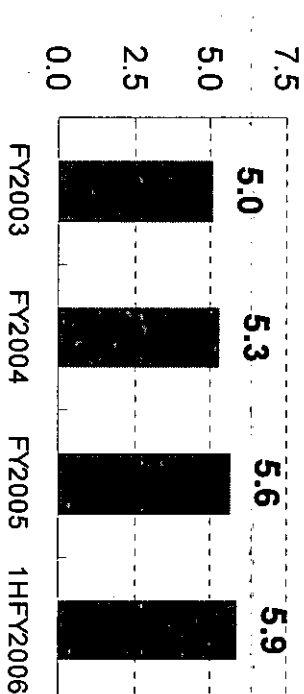
<Number of clients who have 7 million yen or more outstanding balance of time deposits & mutual funds>  
(in thousands of people)



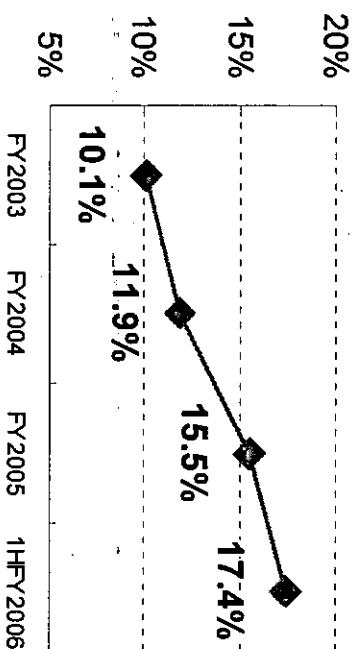
\* Number of clients who have outstanding balance of time deposits and/or mutual funds

--- Approx. 1.3 million people as of Sep.2006

<Average amount per a/c of clients\* who have outstanding balance of time deposits and/or mutual funds>  
(in millions of Yen)



<Ratio of clients who hold mutual funds to clients\* who have outstanding balance of time deposits and/or mutual funds>



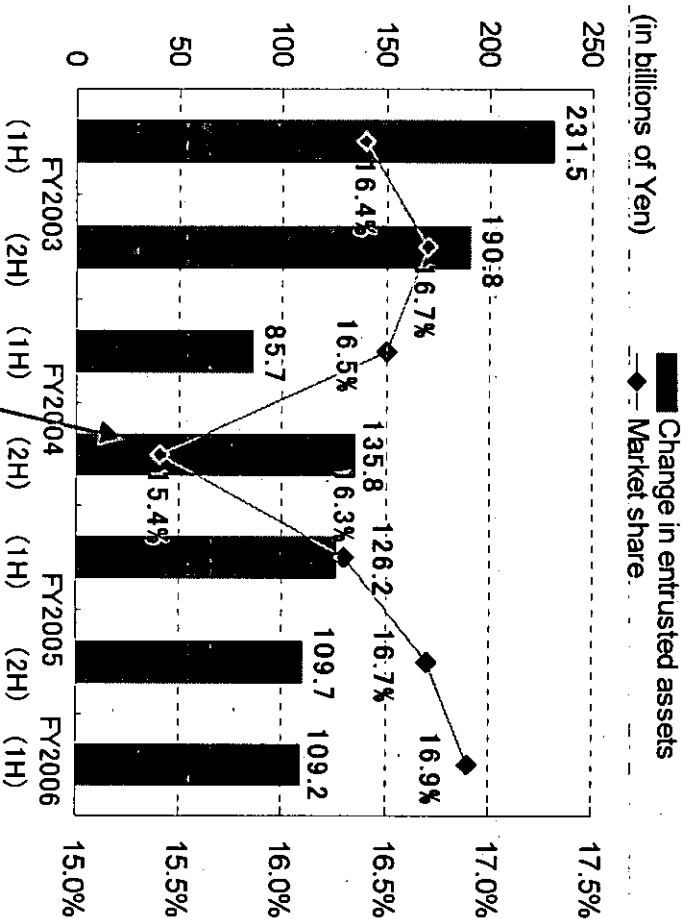
SUMITOMO  
TRUST

住友信託銀行

## Growth of franchise of fiduciary business (Corporate pension)

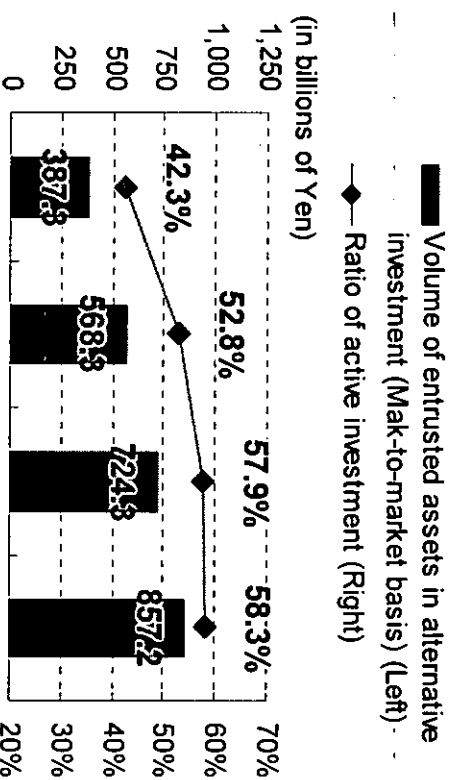
- ▶ Continuously won battle over funds of corporate pension among asset managers
- ▶ Improved profitability & market share through sales of high add-value products

<Change in volume of entrusted assets of pension trust due to reallocation of funds among asset managers>  
<Market share of pension trust among all trust banks>

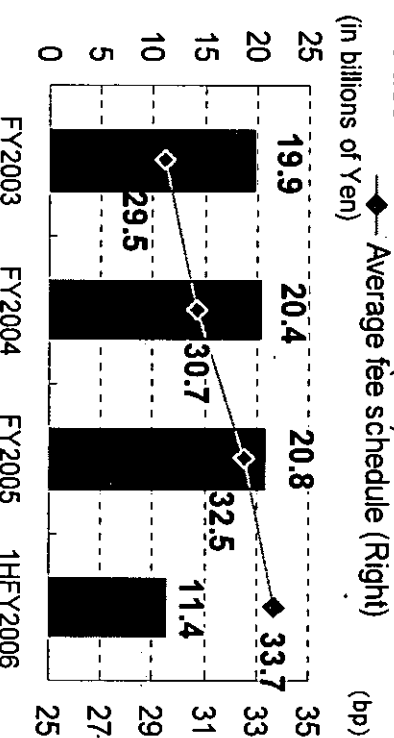


Decrease of market share due to dissolution of large pension funds & change in contract from pension trust to investment advisory agreement

<Ratio of active management (corporate pension)>  
<Volume of entrusted assets in alternative investments>



<Trust fee and average fee schedule of pension trust>



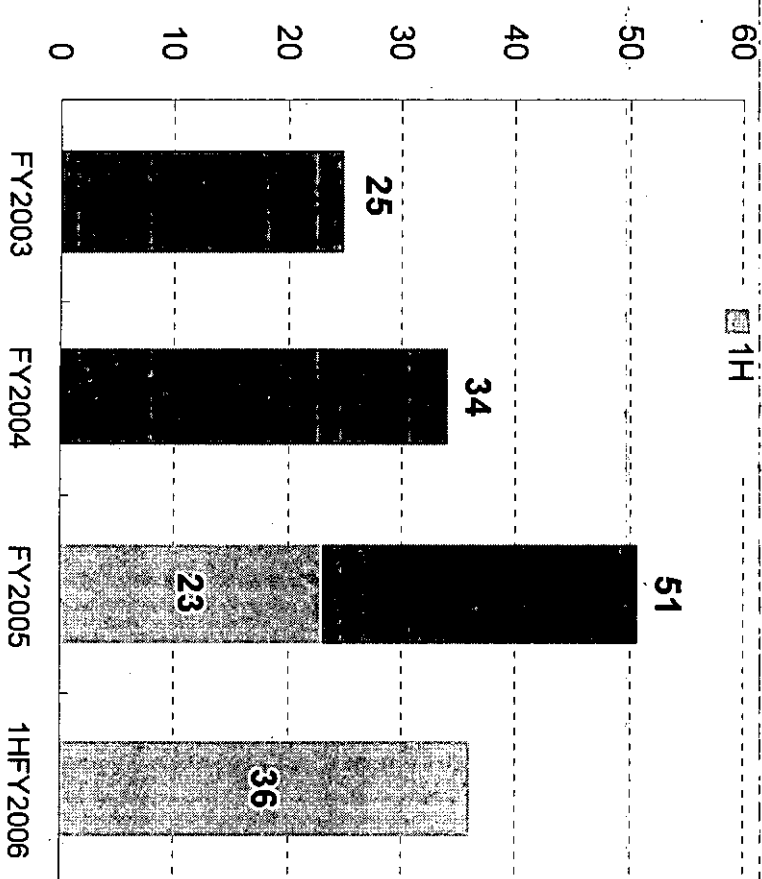
SUMITOMO TRUST 住友信託銀行



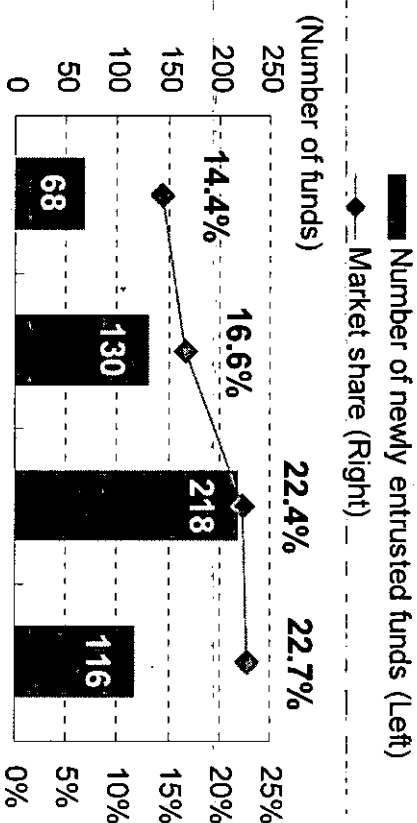
## Growth of franchise of fiduciary business (Securities processing service)

- ▶ Substantially increased trust fee of mutual fund capturing "shift from deposits to savings"
- ▶ Enhanced market share by sales promotion focusing on winning trustee as many new funds of stock-type investment trust as possible

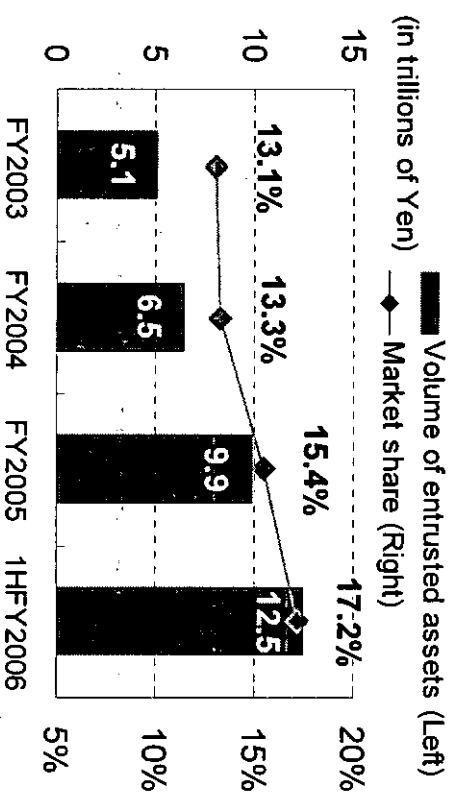
<Fee revenue of securities investment trust>  
(in billions of yen) ■ Full year □ 1H



<Number of newly entrusted stock investment trusts>



<Volume of entrusted assets of stock investment trust>



SUMITOMO TRUST 住友信託銀行

## Reinforcement of inter-group strategy

- ▶ Conducted TOB of STB Leasing (Oct.24, 2006 – Nov. 27, 2006) aiming 100% ownership
- ▶ Pursue intergroup reorganization of STB Leasing and Sumishin Matsushita Financial Services in 2008

### 【Objective of TOB of STB Leasing】

Efficiently utilize management resources in group  
+ Improve consolidated profit (27.5% ownership in real term) → Pursue 100%)

#### 住友信託銀行

##### STB Leasing

- Strength in leasing to large corporations

##### ◆ Total leasing

FY2005 (in billions of yen)		Total sales volume
Total assets	524.6	163.6
Net assets	40.1	Net operating income 6.9
		Net income 4.4

Pursue expansion,  
diversification and  
integration of business

#### 住信・松下ファイナンスサービス(株)

##### Sumishin Matsushita Financial Services

- Strength in various functions  
and massive client franchise

##### ◆ Total leasing, installment finance, credit cards, loans

FY2005 (in billions of yen)		Total sales volume
Total assets	522.7	192.5
Net assets	67.5	Net operating income 8.4
		Net income 4.8

Pursue intergroup reorganization in 2008

A full line service finance company with function of  
financing small and medium companies and individuals



SUMITOMO TRUST 住友信託銀行

RECEIVED

2006 NOV 30 P 12:06

OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

*Additional explanatory material*  
*1st Half Fiscal Year 2006*  
*ended on Sep. 30, 2006*

***The Sumitomo Trust and Banking Co., Ltd.***

## Table of Contents

1. Summary of income/expenses in domestic/international business	1
2. Summary of interest-earning assets/interest-bearing liabilities in domestic/international business	2
3. Maturity ladder of securities	3
4. Maturity ladder of swaps	4
5. Balance of principal guaranteed trust a/c	5
6. Migration analysis of loans in special mention or worse categories	6
7. Risk managed loans by industry	7
8. Reserves for possible loan losses	8

1. Summary of income/expenses in domestic/international business (Non-consolidated)  
<Banking a/c>

	Millions of Yen			
	1H FY2006		1H FY2005	
	Domestic business	International business	Total	Total
Trust fee income	35,867	-	35,867	32,083
Net interest income	67,618	7,105	74,723	58,178
Interest income	91,106	66,562	156,338	73,272
Interest expenses	23,488	59,457	81,615	15,093
Net fees and commissions	24,847	-138	24,709	24,747
Fees and commissions received	42,906	1,534	44,440	41,629
Fees and commissions paid	18,058	1,672	19,731	16,881
Net gains on trading	3,186	426	3,612	2,609
Trading revenue	3,186	426	3,612	2,474
Trading expenses	-	-	-	-135
Net other operating income	-2,900	11,344	8,443	6,069
Other operating income	2,029	16,492	18,521	7,588
Other operating expenses	4,929	5,148	10,078	1,518

Note: Figures in the upper rows in Interest Income and Interest Expense show interests that accrue from transaction between domestic business and international business.

2. Summary of interest-earning assets/interest-bearing liabilities in domestic/international business (Non-consolidated)  
<Banking a/c>

	Domestic business					
	Millions of Yen, percentage points					
	1HFY2006			1HFY2005		
	Average balance	Interest	Yield	Average balance	Interest	Yield
Interest-earning assets	15,286,954	91,106	1.18%	12,545,198	73,272	1.16%
Loans	9,712,623	55,895	1.14%	8,600,809	49,235	1.14%
Investment securities	3,708,378	19,696	1.05%	2,807,386	14,672	1.04%
Call loans and bills bought	199,359	143	0.14%	48,033	0	0.00%
Due from banks	2,717	0	0.02%	10	0	0.00%
Interest-bearing liabilities	15,181,181	23,488	0.30%	12,392,500	15,093	0.24%
Deposits	9,264,122	12,296	0.26%	8,356,192	8,713	0.20%
Negotiable certificates of deposit	2,251,684	2,212	0.19%	1,708,245	269	0.03%
Call money and bills sold	458,803	279	0.12%	307,924	2	0.00%
Commercial paper	-	-	-	-	-	-
Borrowed money	355,946	1,865	1.04%	145,016	1,410	1.94%
<b>International business</b>						
	Millions of Yen, percentage points					
	1HFY2006			1HFY2005		
	Average balance	Interest	Yield	Average balance	Interest	Yield
Interest-earning assets	3,641,302	66,562	3.64%	3,063,439	47,697	3.10%
Loans	1,053,795	25,010	4.73%	782,800	14,376	3.66%
Investment securities	2,206,243	41,857	3.78%	2,017,260	34,080	3.36%
Call loans and bills bought	71,574	1,812	5.05%	45,144	728	3.21%
Due from banks	289,391	6,598	4.54%	193,066	3,038	3.13%
Interest-bearing liabilities	3,672,749	59,457	3.22%	3,093,092	37,378	2.41%
Deposits	1,185,228	26,100	4.39%	937,841	15,285	3.25%
Negotiable certificates of deposit	211,271	5,530	5.22%	39,611	694	3.49%
Call money and bills sold	6,140	153	4.98%	18,329	305	3.32%
Commercial paper	-	-	-	-	-	-
Borrowed money	308,344	3,797	2.45%	305,909	2,874	1.87%

### 3. Maturity ladder of securities (Non-consolidated)

<Banking a/c>

Millions of Yen									
		Less than 1 year	1 year to 3 years	3 years to 5 years	5 years to 7 years	7 years to 10 years	Over 10 years	No maturity	Total
Japanese government bonds	Mar. 2006	239,842	241,861	246,199	241,375	266,742	149,923	-	1,385,944
	Sep. 2006	354,731	298,548	140,913	191,508	246,652	141,074	-	1,373,429
Japanese municipal bonds	Mar. 2006	4,508	20,822	16,781	5,989	32,060	-	-	80,163
	Sep. 2006	5,913	14,880	13,612	4,683	33,999	-	-	73,089
Japanese corporate bonds	Mar. 2006	324,927	364,697	203,202	64,416	19,933	2,292	-	979,470
	Sep. 2006	202,642	326,177	188,236	83,662	22,883	2,141	-	825,744
Japanese corporate stocks	Mar. 2006	-	-	-	-	-	-	1,239,508	1,239,508
	Sep. 2006	-	-	-	-	-	-	1,186,590	1,186,590
Foreign securities and others	Mar. 2006	96,731	310,059	456,960	246,661	501,079	362,534	278,945	2,252,971
	Sep. 2006	211,609	348,393	459,118	329,320	421,213	395,245	287,945	2,452,847
Foreign bonds	Mar. 2006	34,498	204,412	431,977	241,118	472,003	362,229	-	1,746,238
	Sep. 2006	120,191	226,513	411,698	325,404	402,464	394,940	-	1,881,213
Foreign stocks	Mar. 2006	-	-	-	-	-	-	32,092	32,092
	Sep. 2006	-	-	-	-	-	-	37,927	37,927

Note: The amounts in the table above are B/S value.

#### 4. Maturity ladder of swaps

(Non-consolidated)

	Millions of Yen			
	Less than 1 year	1 year to 5 years	Over 5 years	Total
Market value applied				
Mar. 2006	8,539,028	37,298,688	16,837,418	62,675,135
Sep. 2006	8,560,692	45,890,476	23,262,155	77,713,323
Fix Rcv-FI Pay				
Mar. 2006	3,724,065	18,118,982	8,322,822	30,165,870
Sep. 2006	3,932,071	22,442,014	11,909,057	38,283,142
FI Rcv-Fix Pay				
Mar. 2006	4,192,862	18,021,476	8,222,446	30,436,786
Sep. 2006	4,406,621	22,013,198	11,059,948	37,479,768
FI Rcv-FI Pay				
Mar. 2006	622,100	1,158,228	292,150	2,072,478
Sep. 2006	222,000	1,435,262	293,150	1,950,412
Hedge accounting applied				
Mar. 2006	394,083	3,355,853	1,078,045	4,827,981
Sep. 2006	756,482	3,205,429	1,264,128	5,226,040
Fix Rcv-FI Pay				
Mar. 2006	349,754	2,870,122	850,077	4,069,955
Sep. 2006	682,310	2,674,357	807,070	4,163,737
FI Rcv-Fix Pay				
Mar. 2006	42,328	485,730	227,967	756,026
Sep. 2006	72,172	531,071	457,058	1,060,302
FI Rcv-FI Pay				
Mar. 2006	2,000	-	-	2,000
Sep. 2006	2,000	-	-	2,000



# 5. Balance of principal guaranteed trust a/c (Non-consolidated)

## <Jointly operated money trust>

	Millions of Yen				Change from Mar. 2006 to Sep. 2006
	Sep. 2006	Mar. 2006	Sep. 2005		
Total assets	921,502	1,218,173	1,104,676	-296,670	
Loans	410,104	167,347	174,423	242,757	
Securities	29,217	43,787	43,620	-14,570	
Others	482,181	1,007,038	886,632	-524,857	
Total liabilities	921,502	1,218,173	1,104,676	-296,670	
Principal	919,227	1,216,743	1,102,798	-297,515	
Reserve for possible impairment of principal	852	504	524	347	
Others	1,422	925	1,353	496	

## <Loan trust>

	Millions of Yen				Change from Mar. 2006 to Sep. 2006
	Sep. 2006	Mar. 2006	Sep. 2005		
Total assets	837,280	937,096	1,016,241	-99,816	
Loans	-	384,405	464,465	-384,405	
Securities	-	9,609	26,059	-9,609	
Others	837,280	543,082	525,717	294,198	
Total liabilities	837,280	937,096	1,016,241	-99,816	
Principal	829,453	927,283	1,004,356	-97,830	
Reserve for possible impairment of principal	4,630	5,011	5,431	-380	
Others	3,196	4,801	6,453	-1,605	

**6. Migration analysis of loans in special mention or worse categories (Non-consolidated)**  
**<Banking a/c and trust a/c combined>**

**(2HFY2005)**

Billions of Yen								
	Sep. 2005	Mar. 2006	Change	Change				
				Downgrade (+)	Downgrade (-)	Upgrade (+)	Upgrade (-)	
							Write-off, sales, or collection	
Bankrupt/practically bankrupt	42.2	7.3	-34.9	1.3	-	-	-0.4	-35.8
Doubtful	20.6	19.3	-1.3	7.2	-0.7	0.1	-0.7	-7.3
Loans to substandard debtors	81.2	117.0	35.9	67.1	-2.4	0.1	-8.6	-20.3
Loans to special mention debtors (excluding loans to substandard debtors)	291.1	418.6	127.5	179.4	-47.9	4.1	-5.7	-2.4

**(1HFY2006)**

	Billions of Yen						
	Mar. 2006	Sep. 2006	Change	Change			
				Downgrade (+)	Downgrade (-)	Upgrade (+)	Upgrade (-)
							Write-off, sales, or collection
Bankrupt/practically bankrupt	7.3	6.0	-1.3	1.1	-	-	-1.0
Doubtful	19.3	23.4	4.1	9.6	-0.4	0.2	-1.8
Loans to substandard debtors	117.0	98.3	-18.8	1.6	-1.1	2.1	-12.9
Loans to special mention debtors (excluding loans to substandard debtors)	418.6	312.8	-105.8	25.6	-8.0	4.4	-96.9
							-30.9

# 7. Risk managed loans by industry (Non-consolidated)

	Millions of Yen						
	Sep. 2006			Mar. 2006			
	Banking a/c	Trust a/c (*)	Banking + trust a/c	Change from Mar. 2006	Banking a/c	Trust a/c (*)	Banking + trust a/c
Domestic Branches (excluding offshore)	77,642	20,020	97,662	-9,093	74,857	31,898	106,756
Manufacturing	13,363	-	13,363	2,003	11,108	251	11,359
Agriculture, forestry, fishing, mining	-	-	-	-	-	-	-
Construction	2,022	-	2,022	-657	1,807	873	2,680
Energy and utilities	-	-	-	-	-	-	-
Communication	-	-	-	-0	0	-	0
Transportation	12,109	-	12,109	-70	12,023	156	12,180
Wholesale and retail	20,069	-	20,069	-2,430	21,282	1,217	22,500
Finance and insurance	-	-	-	-	-	-	-
Real estate	8,768	3,892	12,661	-2,782	8,112	7,331	15,444
Various services	10,622	-	10,622	-4,875	11,500	3,997	15,498
Others	10,686	16,127	26,814	-278	9,022	18,069	27,092
Overseas branches and offshore	2,533	-	2,533	-83	2,617	-	2,617
Total	80,176	20,020	100,196	-9,176	77,474	31,898	109,373

(\*) Trust a/c is principal guaranteed trust a/c

## 8. Reserves for possible loan losses

### (1) Banking a/c (Consolidated)

	Millions of Yen			
	Sep. 2006	Mar. 2006	Sep. 2005	Change from Mar. 2006 to Sep. 2006
Reserves for possible loan losses	79,823	76,206	62,524	3,616
General reserves	54,547	58,209	44,642	-3,662
Specific loan loss reserves	24,725	17,691	17,643	7,034
Reserves for loans to borrowers in specific foreign countries	550	305	238	244
				311

### (2) Banking a/c (Non-consolidated)

	Millions of Yen			
	Sep. 2006	Mar. 2006	Sep. 2005	Change from Mar. 2006 to Sep. 2006
Reserves for possible loan losses	69,873	66,501	56,689	3,372
General reserves	50,565	53,882	41,471	-3,316
Specific loan loss reserves	18,757	12,312	14,979	6,444
Reserves for loans to borrowers in specific foreign countries	550	305	238	244
				311

### (3) Principal guaranteed trust a/c (Non-consolidated)

	Millions of Yen			
	Sep. 2006	Mar. 2006	Sep. 2005	Change from Mar. 2006 to Sep. 2006
Reserves for loan trust	4,630	5,011	5,431	-380
Reserves for jointly-operated money trust	852	504	524	347
Total	5,483	5,516	5,955	-32
				-472